



**MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE  
OF THE PLANS MANAGEMENT BOARD  
November 1, 2022**

A virtual meeting of the Audit and Governance Committee (the “Committee”) of the Plans Management Board (the “Board”) was held on November 1, 2022, at 10:00 a.m. Committee members and members of the public were able to participate using the provided dial-in information.

Committee Members Represented or in Attendance:

Mr. Peter Kennedy, Committee Chair  
Mr. John Macedo  
Mr. Timothy J. Snyder  
The Honorable Colleen C. Davis, State Treasurer

Others in Attendance:

Ms. Liza Davis, Deputy State Treasurer  
Mr. Frank Broujos, Deputy Attorney General, Delaware Department of Justice  
Mr. John Meyer, Director of Contributions and Plan Management, Office of the State Treasurer (“OST”)  
Mr. Mike Green, Investments and Operations Manager, OST  
Mr. Daniel Kimmel, Promotion and Outreach Program Manager, OST  
Mrs. Deborah Bradl, Executive Assistant, Contributions and Plan Management, OST  
Mr. Jordan Seemans, Director of Policy and Communications, OST  
Mr. Earle Allen, CAPTRUST  
Mr. Jeff Kowalczyk, Barbacane, Thornton, and Company LLP  
Mr. Charles Griffin, Cyber Security Unit, Voya

**CALLED TO ORDER**

The meeting was called to order at 10:00 a.m.

**APPROVAL OF MINUTES**

**A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to approve minutes from the Committee meeting on August 9, 2022, with corrections.**

**MOTION ADOPTED UNANIMOUSLY**

## **PRESENTATIONS**

### *Cyber Security-Voya*

Mr. Griffin presented Voya's cyber security and fraud prevention processes to the Committee. He discussed best practices within the industry amongst plan sponsors and for participants. Mr. Griffin discussed key components that will be central to the Committee's development of a cyber security policy.

### *403(b) Draft Audit Presentation (2021)*

Mr. Kowalczyk presented the 403(b) Plan audit report for plan year 2021, which did not express an audit opinion on the Plan's financial statements. As of December 31, 2021, the 403(b) Plan had a fiduciary net position of approximately \$564.3 million, an increase of approximately \$58.6 million from December 31, 2020. He stated that the increase was primarily due to an increase in contributions and investment income. Mr. Kowalczyk stated that approximately \$250 million of the assets were with Voya and approximately \$315 thousand were with legacy vendors. Total contributions to the Plan for the year ended December 31, 2021, were up slightly to approximately \$29 million and total distributions from the Plan for the year ended December 31, 2021, were approximately \$41.5 million. Further, Mr. Kowalczyk stated that administrative expenses were approximately \$760 thousand for the year ended December 31, 2021, versus approximately \$939 thousand for the year ended December 31, 2020. Fluctuations in the administrative fees are the result of different arrangements with the service providers and the number of transactions charged directly to participant accounts. Mr. Kowalczyk stated that a prior finding regarding missing account information has been resolved.

## **ACTION ITEMS**

### *Discussion and Vote on Recommendation Regarding 2021 Plan Audits*

The Committee agreed to recommend approval of the audit reports to the Board for the December meeting.

**A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend the final audit reports for the 457(b), 401(a) , 403(b) and 529 Plan for plan year 2021 to the Board for approval. MOTION ADOPTED UNANIMOUSLY**

### *Discussion and Vote on Recommendation Regarding MOU with Auditor's Office*

Mr. Meyer presented an update on the Memorandum of Understanding ("MOU") among the Board, OST, and the Office of the Auditor of Accounts ("AOA"). Mr. Meyer stated that AOA and OST agreed on a reasonable rate fee of 10% for the 2021 plan year audits. An updated MOU will be drafted for plan year 2022 audits. The Committee discussed language in the MOU and agreed on minor changes. OST will revise the current MOU and seek updated signatures.

**A MOTION was made by Mr. Macedo and seconded by Mr. Snyder that the Committee recommend the MOU with the Office of the Auditor, with revisions, to the Board for approval subject to approval by the Auditor. MOTION ADOPTED UNANIMOUSLY**

### *2023 Meeting Calendar*

The Committee was presented with the proposed 2023 Plans Management Board meeting calendar.

**PUBLIC COMMENT**

No member of the public was present for comment.

The Committee discussed operational matters introduced by Mr. Green. Treasurer Davis requested that Mr. Green work with Mr. Meyer to draft a summary memo of the matters. The Committee inquired if these matters were within the Committee's purview and requested that OST clarify with the Board's assigned Deputy Attorney General. OST will provide an update to the Committee at a future meeting.

**Executive Session**

No Executive Session was held.

**NEXT MEETING**

The next meeting of the Committee is scheduled for February 7, 2023.  
The next meeting of the Board is scheduled for December 6, 2022.

**ADJOURNMENT**

Meeting was adjourned by Chair at 11:55 a.m.

Respectfully submitted,

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Pete Kennedy, Chair for the Audit and Governance Committee